



Rep. Emanuel Chris Welch

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LRB099 09858 HEP 33112 a

1 AMENDMENT TO HOUSE BILL 2584

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2584 on page 35, by  
3 replacing lines 5 through 24 with the following:

4 "Section 10. The Illinois Wage Assignment Act is amended by  
5 changing Sections 2, 2.1, 2.2, 4, 4.1, and 4.2 as follows:

6 (740 ILCS 170/2) (from Ch. 48, par. 39.2)

7 Sec. 2. Demand on an employer for the wages of wage-earner  
8 by virtue of a wage assignment may not be served on the  
9 employer unless:

10 (1) There has been a default of more than 40 days in  
11 payment of the indebtedness secured by the assignment and  
12 the default has continued to the date of the demand;

13 (2) The demand contains a correct statement as to the  
14 amount the wage-earner is in default and the original or a  
15 photostatic copy of the assignment is exhibited to the  
16 employer; and

1           (3) Not less than 20 days before serving the demand, a  
2           notice of intention to make the demand and a revocation  
3           notice form has been served upon the employee, and an  
4           advice copy sent to the employer, ~~by registered or~~  
5           ~~certified mail.~~

6           Service of any demand without complying with this Section  
7           has no legal effect.

8           A demand under this Section applies only to wages due at  
9           the time of service of the demand and upon subsequent wages  
10          until the total amount due under the assignment is paid, until  
11          the employee revokes the wage assignment, or until the  
12          expiration of the employer's payroll period ending immediately  
13          prior to 84 days after service of such demand, whichever first  
14          occurs.

15          (Source: P.A. 88-395.)

16                 (740 ILCS 170/2.1) (from Ch. 48, par. 39.2a)

17                 Sec. 2.1. A demand shall be in the following form:

18                 "Demand is hereby made upon an assignment of salary, wages,  
19                 commissions or other compensation for services, executed by  
20                 .... and delivered to .... on (insert date), to secure a debt  
21                 contracted on (insert date).

22                 The total amount of the debt is \$..... Payments in the  
23                 amount of \$..... have been made. The duration of the contract is  
24                 .... months. There is now due and owing without acceleration  
25                 the sum of \$....., the last payment having been made on (insert

1 date).

2 The employee herein named has been in default in his  
3 payments in the amount of \$....., of which \$.... has been due  
4 and owing for more than 40 days.

5 Unless you have received a notice from the employee herein  
6 named that he or she is revoking the wage assignment ~~within the~~  
7 ~~past 20 days, or do receive within 5 days after the service~~  
8 ~~hereof, a notice of defense from the employee herein named,~~ you  
9 are required by law to make payment in accordance with such  
10 assignment. ...., first being duly sworn, deposes and says that  
11 the facts stated in the demand above are true and correct; and  
12 further deposes and says that he (or his principal, if he is an  
13 agent for the assignee) has not been notified by the debtor  
14 that he or she is revoking the wage assignment ~~no notice of any~~  
15 ~~defenses of the debtor.~~

16 .....

17 Subscribed and sworn to before me on (insert date).

18 .....

19 Notary Public".

20 (Source: P.A. 91-357, eff. 7-29-99.)

21 (740 ILCS 170/2.2) (from Ch. 48, par. 39.2b)

22 Sec. 2.2. Forms: notice of intent to assign wages;  
23 revocation.

24 (a) The notice to an employee required by Section 2 shall  
25 be in the following form:

## 1 "NOTICE OF INTENT TO ASSIGN WAGES

2 This notice is required by the Illinois Wage Assignment  
3 Act. The notice has been sent to tell you that a creditor (name  
4 and address listed below) plans to have your wages assigned.  
5 This notice contains important information. You should read the  
6 entire notice carefully.

## 7 WHY THE CREDITOR WANTS TO ASSIGN YOUR WAGES

8 You signed a wage assignment on ..... (date) ..... The  
9 wage assignment was signed as security if you failed to make  
10 payment on the contract you signed on ..... (date)  
11 ..... A copy of the wage assignment is attached. The  
12 creditor's records show that you have not made a payment since  
13 ..... (date) ..... and that you now owe \$..... on the  
14 contract. The creditor will send a demand for wages to your  
15 employer 20 days from the date you receive this.

## 16 WHAT YOU CAN DO TO PREVENT YOUR WAGES FROM BEING ASSIGNED

17 You ~~If you have a legal defense to the wage assignment you~~  
18 can stop the wage assignment at any time by filling out the  
19 enclosed Revocation Notice ~~of Defense~~ Form or by writing a  
20 letter stating that you are revoking the wage assignment and  
21 (1) sending it to the creditor by ~~registered or certified~~ mail  
22 and (2) giving a copy to your employer. ~~You must do these 2~~  
23 ~~things within 20 days of receiving this notice. You have the~~  
24 ~~right to contact an attorney concerning the wage assignment. In~~  
25 ~~the event a false defense is made, you will be subject to~~  
26 ~~payment of attorneys' fees, court costs and other expenses.~~



1 .....

2 (Signed by)"

3 (Source: P.A. 83-867.)

4 (740 ILCS 170/4) (from Ch. 48, par. 39.4)

5 Sec. 4. The maximum wages, salary, commissions, and bonuses  
6 that may be collected by an assignee for any work week shall  
7 not exceed the lesser of (1) 15% of such gross amount paid for  
8 that week or (2) the amount by which disposable earnings for a  
9 week exceed 45 times the Federal Minimum Hourly Wage prescribed  
10 by Section 206(a)(1) of Title 29, U.S.C., as amended, ~~or~~ the  
11 minimum hourly wage prescribed by Section 4 of the Minimum Wage  
12 Law, or local minimum wage law, whichever is greater, in effect  
13 at the time the amounts are payable. This provision (and no  
14 other) applies irrespective of the place where the compensation  
15 was earned or payable and the State where the employee resides.  
16 No amounts required by law to be withheld may be taken from the  
17 amount collected by the creditor. The term "disposable  
18 earnings" means that part of the earnings of any individual  
19 remaining after the deduction from those earnings of any  
20 amounts required by law to be withheld. If there is more than  
21 one assignment demand received by the employer, the assignees  
22 shall collect in the order or priority of service of the demand  
23 upon the employer, but the total of all collections shall not  
24 exceed the amount that could have been collected if there had

1 been one assignment demand.

2 Benefits and refunds payable by pension or retirement funds  
3 or systems, any assets of employees held by those funds or  
4 systems, and any moneys an employee is required to contribute  
5 to those funds or systems are exempt and are not subject to a  
6 wage assignment under this Act.

7 A fee of \$12 for each wage assignment shall be collected by  
8 and paid to the employer and the amount so paid shall be  
9 credited against the amount of the wage-earner's outstanding  
10 debt.

11 (Source: P.A. 94-305, eff. 7-21-05.)

12 (740 ILCS 170/4.1) (from Ch. 48, par. 39.4a)

13 Sec. 4.1. Revocation of wage assignment. The employee may  
14 revoke the wage assignment at any time by submitting the  
15 revocation notice as provided in subsection (b) of Section 2.2  
16 of this Act or otherwise providing written notice that he or  
17 she is revoking the wage assignment to the creditor. The  
18 employee may submit a copy of the notice to his or her employer  
19 if the employee so chooses. If the revocation notice is served  
20 upon the creditor prior to the creditor's service of demand  
21 upon the employer, the demand shall not be served by the  
22 creditor. Within 20 days after receiving the notice required by  
23 Section 2 or within 5 days after service of the demand, the  
24 employee may notify his employer, in writing, of any defense he  
25 may have to the wage assignment. A copy of such notice shall be

1 ~~served upon the creditor by registered or certified mail. If~~  
 2 ~~served upon the creditor prior to the creditor's service of~~  
 3 ~~demand upon the employer, such demand shall not be served by~~  
 4 ~~the creditor. The notice shall be by affidavit and shall be in~~  
 5 ~~substantially the following form:~~

6 ~~"I, ....., hereby (swear) (affirm) that I have a bona fide~~  
 7 ~~defense to the claim of ....., which claim is based on a debt~~  
 8 ~~contracted on (insert date), and for security on which debt a~~  
 9 ~~wage assignment was executed.~~

10 .....  
 11

11 ~~Address for service of summons~~

12 .....  
 13

13 ~~Employee~~

14 ~~Subscribed and sworn to before me on (insert date).~~

15 ....."  
 16

16 ~~Notary Public~~

17 (Source: P.A. 91-357, eff. 7-29-99.)

18 (740 ILCS 170/4.2) (from Ch. 48, par. 39.4b)

19 Sec. 4.2.

20 If the employee has not given a revocation notice as  
 21 provided in subsection (b) of Section 2.2 of this Act or has  
 22 not otherwise provided the creditor with written notice that he  
 23 or she is revoking the wage assignment ~~notice of defense~~ as  
 24 provided in this Act within 20 days after receiving the notice  
 25 of intention to make a demand, the creditor may proceed with

1 his demand, and the employer shall commence payment to the  
2 creditor not sooner than 5 business days after service of such  
3 demand, unless a revocation notice as set forth in subsection  
4 (b) of Section 2.2 of this Act or other written notice from the  
5 employee revoking the wage assignment is received ~~notice of~~  
6 ~~defense is received within that 5 day period.~~ If the employee  
7 cures the default stated in the demand or revokes the wage  
8 assignment, the creditor shall notify the employer and release  
9 the demand. No employer shall be liable for payments made in  
10 compliance with this Section.

11 If a revocation notice as set forth in subsection (b) of  
12 Section 2.2 of this Act or other written notice from the  
13 employee revoking the wage assignment is received by an  
14 employer, ~~If a notice of defense is received by an employer~~  
15 ~~within the period specified in Section 4.1,~~ no wages are  
16 subject to a demand served by the creditor described in that  
17 revocation notice ~~of defense;~~ unless the employer receives a  
18 copy of a subsequent written agreement between the creditor and  
19 employee authorizing such payments. If such an agreement is not  
20 reached, the creditor may not institute further proceedings on  
21 the wage assignment. If a revocation notice ~~of defense~~ has been  
22 given, service of summons in any subsequent proceeding on the  
23 debt for which the wage assignment was given as security may be  
24 made by registered or certified mail.

25 (Source: Laws 1967, p. 2049.)"; and

1 by deleting pages 36 through 41; and

2 on page 42, by deleting lines 1 through 22.